

TO		ACTION	INFO	DATE	INITIAL
1	DCI				
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11	Compt		X		
12	D/OLL		X		
13	D/PAO				
14	D/PERS				
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SUSPENSE _____ Date _____

Remarks (Re SIG on International Affairs Funding)

STAT

3 Jun 86
Date

3637 (10-81)



United States Department of State

Washington, D.C. 20520

~~CONFIDENTIAL~~

Executive Registry
86- 2442

**MEMORANDUM FOR VADM JOHN M. POINDEXTER
THE WHITE HOUSE**

**Subject: Senior Interdepartmental Group on
International Affairs Funding for FY 1987**

As directed in your memorandum of May 29, Deputy Secretary Whitehead convened the SIG on May 30 and June 3. The agencies represented agreed to recommend the attached legislative strategy for the impending budget conference and 302(b) allocation exercise.

Nicholas Platt
Executive Secretary

Attachments:

As stated

~~CONFIDENTIAL~~

DECL: OADR



B-601-IR

PROPOSED LEGISLATIVE STRATEGY FOR BUDGET CONFERENCE AND 302 (b) EXERCISE

Budget Conference

Presidential letter to Chairman Domenici and Gray -- to be delivered
As conference gets underway

2. Secretary Shultz phone call to Domenici -- to underscore importance
of not reducing Senate aggregate any further in conference and to
Communicate our view on the proposed Senate conference proposal to
offset additional outlays for Inman from other ISO accounts

Secretary Baker phone call to Gray -- to encourage the House to
Accede to the Senate level in conference

302 (b) Allocation Process

Presidential phone call to House Appropriations Committee Chairman
Whitten -- to seek a fair 302 (b) allocation

Secretary Shultz phone call to Senate Appropriations Committee
Chairman Hatfield -- to seek a favorable 302 (b) in Senate

Appropriate level phone calls to Appropriations subcommittee
Chairmen Obey, Smith, Kasten and Rudman -- to encourage them to seek a
FAIR 302 (b) process in full committee

Drafted By: State/T - RBoyce
6/2/86, z. 77888

Cleared By: State/D - JTimbie
State/M - RFeldman
State/H - JDyer
AID/LEG - KKannerer
AID/PPC - JHunnon
Treasury - JConro
DOD/DSAA - PGast
USIA - MStone

OMB - PDuSault
NSC - SParrar
NIS - PSchleuter
Peace Corps - LRuppe
Eximbank - JBohn
CIA - RKerr

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TRANSMITTAL SLIP		DATE 2 June 1982
TO: ER		
ROOM NO.	BUILDING	
REMARKS:		
FROM: DD		
ROOM NO.	BUILDING	EXTENSION

FORM NO.
1 FEB 56 241

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

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DDI #02030-86
2 June 1986

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: Richard J. Kerr
Deputy Director for Intelligence

SUBJECT: SIG Meeting on International Affairs Funding for
1987 chaired by Deputy Secretary of State Whitehead

1. The SIG meeting on 30 May was a general session devoted to a discussion of the major shortfall in funding for the International Affairs budget. The FY '87 request for that budget amounted to \$22 billion. The Senate cut it about \$6 billion and the House cut it \$800 million. State was trying to get the various organizations involved--particularly those that have a major stake in the budget, i.e, USIA, the Export-Import Bank, State Department itself, and Defense--to 1) recognize the problem and 2) get their principals actively involved in trying to turn Congress around on this issue. (S)

2. There was general agreement in the meeting that the executive branch needed to make a full-court press to convince the Senate to hold at its level (at a minimum) and urge the House to increase its funding. There were two specific actions out of this meeting:

- a. State will draft a letter which was requested by Admiral Poindexter outlining the problem and identifying a strategic approach and, at the same time,
- b. Heads of agencies and departments are encouraged to take action independently to encourage both the House and Senate to realize the implications of the cuts on the President's foreign policy priorities. (S)

3. It is surprising at this stage in the process that State does not have a comprehensive legislative strategy in hand and a detailed paper assessing the impact of these cuts on the President's program. (S)



CL BY SIGNER
DECL OADR

B-601-JR

SECRET

SECRET

4. The next meeting is scheduled for 1600 on Tuesday, 3 June to consider the memo being drafted by State. Unless you have other instructions, I plan to attend this meeting. It may be appropriate during that meeting for me to make some more general comments on the need for a comprehensive statement of the impact of the cuts of this magnitude on the President's program. But I am a little reluctant to get CIA deeply involved in this issue except for helping on the Hill.

25X1

Richard J. Kerr

Attachment:

FY 1987 International Affairs Budget Summary
dtd 29 May 1986

Distribution:

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1 - ER ✓

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*In these a common
script on the impact*

*Tues
1600-1700
Diet memo*

29-May-86

FY 1987 INTERNATIONAL AFFAIRS BUDGET - SUMMARY

(BA in millions of dollars)	FY 1987 Request	FY 1987 Senate	FY 1987 House
151: Foreign economic and financial assistance	4,893	4,327	3,692
-----	-----	-----	-----
--of which:			
Multilateral Banks & Int Orgs	1,578	1,640	1,146
Agency for International Development	2,098	1,805	1,624
PL 480	1,164	940	1,030
152: International security assistance	11,272	8,989	8,266
-----	-----	-----	-----
--of which:			
Foreign military sales (FMS)	5,661	3,967	4,043
Military assistance (MAP)	996	848	609
Economic support fund (ESF)	4,094	3,547	2,887
153: Conduct of Foreign Affairs	3,830	2,785	3,275
-----	-----	-----	-----
--of which:			
State Dept Operations (net of Inman)	1,810	1,715	1,642
Inman Diplomatic Security Initiative	1,394	491	1,071
154: Foreign Information and Exchange Activities	1,129	847	901
-----	-----	-----	-----
--of which:			
Board for International Broadcasting	168	88	94
USIA Operations	962	759	807
155: International financial programs	1,511	911	1,289
-----	-----	-----	-----
--of which:			
Export-Import Bank - Appropriation	0	1,062	1,062
Export-Import Bank - Adjustments	0	(1,062)	(684)
Export-Import Bank - Account total	0	0	378
Adjustments		(3)	(423)
TOTAL FUNCTION 150	22,636	17,856	17,000
-----	-----	-----	-----

TRANSMITTAL SLIP		DATE
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ROOM NO. <i>7E17</i>	BUILDING <i>HQ</i>	
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EXECUTIVE SECRETARIAT
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10	GC				
11	IG				
12	Compt	X			
13	D/OLL		X		
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SUSPENSE		1200, 30 May 86 Date			

Remarks To 4/12: Please provide some background/
talking points for DDCI's use from a Community
(D/ICS) and Agency (Compt) perspective.

Executive Secretary
29 May 86

Date

3637 (10-81)

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THE WHITE HOUSE
WASHINGTON

May 29, 1986

Executive Registry

86- 2385

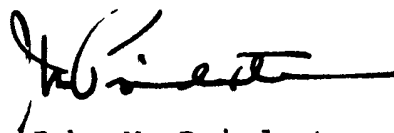
MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE ADMINISTRATOR, AGENCY FOR INTERNATIONAL
DEVELOPMENT
THE DIRECTOR, UNITED STATES INFORMATION AGENCY
THE PRESIDENT OF THE EXPORT-IMPORT BANK
THE DIRECTOR, PEACE CORPS
THE CHAIRMAN, BOARD FOR INTERNATIONAL BROADCASTING

SUBJECT: Senior Interdepartmental Group on International
Affairs Funding for 1987 (C)

The President has directed that a Senior Interdepartmental Group (SIG) be created on international affairs funding for fiscal year 1987. The SIG, to be chaired by the Department of State, will develop an Administration strategy for responding to cuts in the international affairs function contained in House and Senate budget resolutions for 1987. (C)

The SIG will prepare an initial report to the NSC on the 1987 funding situation, based on the attached outline, by COB Wednesday, June 4, 1986. To meet this deadline, the SIG will meet at 4:00 p.m. on Friday, May 30, 1986, at the State Department in Room 7516. (C)

Please notify the office of the Deputy Secretary (647-9640) of your agency's representative (at the level of Deputy Secretary) and his alternate (at the Under Secretary level) by COB Thursday, May 29, 1986. (U)


John M. Poindexter

Attachment
Tab A - Issues to be Addressed

CONFIDENTIAL
Declassify: OADR

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B-601-TL

T A B A

SENIOR INTERDEPARTMENTAL GROUP
ON INTERNATIONAL AFFAIRS FUNDING FOR 1987

Issues to be Addressed

1. The Budget Conference: How to achieve the most favorable outcome.
2. The 302 (b) Allocation Process: Possible sources of flexibility; pitfalls. Proposed action.
3. Appropriations Subcommittees: Administration position on earmarks; funding priorities.
4. Authorization Committees: How to obtain maximum flexibility.